techno-economic factors i.e. reduction in coke rate, energy consumption, metallic input, improvement in yield, extensive customer contact, market oriented product-mix, improvement in quality, long term relationship with customers, leadership inservice and customer satisfaction, strict control and monitoring of operating costs, higher productivity and greater autonomy to field officers, etc.

Leasing of Bailadila Iron ore Mines

593. SHRI GOVINDRAM MIRI:
SHRI SHIV CHARAN SINGH:

Will the Minister of STEEL be pleased to state the latest status of leasing of Bailadila iron ore mines to private sector company?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDER PRASAD BAISHYA): The Hon'ble High Court at Calcutta granted a stay order on the decision to transfer the lease of Bailadila 11-B iron ore mines in favour of a joint venture company on 16.4.96 on a public interest petition feild by Shri Gurudas Dasgupta and Shri Jibon Roy, Members of Parliament. The writ petition was dismissed by the Hon'ble High Court on grounds of jurisdiction on 10.5.1996. However, the operation of the order was stayed by the Hon'ble High Court for a period of three weeks upto 31.5.1996. On a petition by the JV Company against this order, the Hon'ble Calcutta High Court has ordered that the interim stay granted by the learned trial judge will remain suspended till the disposal of the appeal preferred by the Company and the appeal preferred by Shri Gurudas Dasgupta against the order dismissing the original writ petition on jurisdiction grounds. These appeals are to come up before the regular bench.

A Public Interest Litigation (PIL) has also been filed in the High Court of Delhi in July, 1996 against the transfer of Bailadila Deposit 11-B. The case last came up for hearing on 16.7.97 when it was adjourned again for 30.7.97.

The subject is very important and needs detailed examination or various aspects. However, since the matter is pending before the Court, the Government would like to await the judicial verdict.

Decline in Profits of SAIL

594. SHRI S.M. KRISHNA: Will the Minister of STEEL be pleased to state:

(a) whether it is a fact that the profits of SAIL has declined sharply as compared to last year and in May, 1997 it registered a loss of Rs. 250 crores, if so, the reasons therefor;

(b) the details of coal imported by SAIL and the amount incurred on such imports during last three years, year-wise including the names of countries from where the coal was imported; and

(c) the quantity of coal SAIL purchased from CIL during last three years, year-wise?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) The profit (before tax) in SAIL in 1996-97 was Rs. 602* crores as compared to Rs. 131816 in 1995-96. During the year 1996-97 SAIL had to face abnormal increase in input costs on account of cost escalation in coal price, petroleum price, railway freight, power tariff, special custom duties etc. The impact of these escalations is about Rs. 1000 crores while only a part of this impact could be neutralised through improvement in operational efficiencies. Other reasons, which have affected the profitability, include decline in the international prices of steel and freer imports bringing the margins under stress as also the sluggish market behaviour etc. due to which SAIL could not pass on the impact of input cost escalation to the customers.

SAIL consolidates its financial results on half yearly and annual basis. Hence, profit position will be know after expiry of six months/year of the current financial year.

(b) During the years 1994-95, 1995-96 and 1996-97 SAIL imported "Low Ash Metallurgical Coking Coal" of prime quality as a quantitative and qualitative supplement to the indigenous coking coal from Australia, New Zealand and China to meet the total requirement of Steel Plants.

* Subject to CAG Audit.

The quantity of Coal imported by SAIL and total value was as follows:

Qty.: In Million Tonnes
Value: Rs. in Crores

		1994-95	1995-96	1996-97
1.	Quantity	5.385	5.685	6.61
2.	Value including freight	1023.8	1273.8	1565.5

(c) The quantity of coal purchased from Coal India Limited (CIL) is given below:

Qty: In Million Tonnes

Year	Coking Coal	Non-Coking Coal
1994-95	8.76	4.26
1995-96	9.04	4.10
1996-97	7.81	4.54

Difference Between Management of VSP and Andhra Pradesh Government

595. SHRI YERRA NARAYANASWAMY: Will the Minister of STEEL be pleased to state:

(a) what are the differences of opinion between management of Visakhapatnam Steel Plant and Andhra Pradesh Government on the Gongavaram Port;

(b) the details thereof; and

(c) the acreage of land in question?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA): (a) There is no difference of opinion on the need to develop a minor port at Gangavaram between the management of Visakhapatnam Steel Plant and the Government of Andhra Pradesh.

(b) Does not arise.

(c) Exact quantum of land required for development of a minor port will be known on completion of mutual consultations presently in progress.

Production of Steel at Visakhapatnam Steel Plant

596. SHRI YERRA NARAYANASWAMY: Will the Minister of STEEL be pleased to state:

(a) what is the annual production of steel at Visakhapatnam steel plant;

(b) what is the capacity;

(c) whether there is a proposal to improve productivity of V.S.P.; and

(d) if so, details thereof?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI BIRENDRA PRASAD BAISHYA) (a) The annual production of steel at Visakhapatnam Steel Plant for the last three years is given below:

(In million tonnes)

Item	1994-95	1995-96	1996-97
Liquid Steel	1.9	2.3	2.4
Saleable Steel	1.5	2.1	2.1

(b) The annual installed capacity of Visakhapatnam Steel Plant is 3.0 million tonnes of Liquid Steel and 2.6 million tonnes of Saleable Steel.

(c) Yes, Sir.